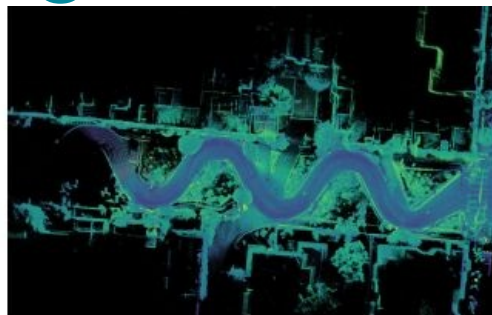
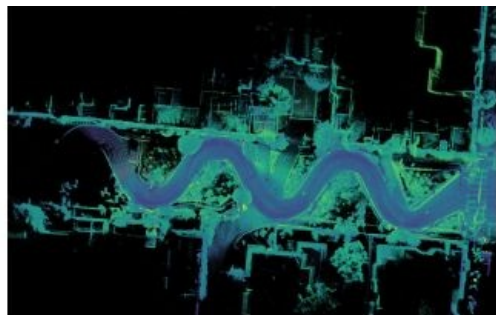


# Ouster and Velodyne on the Brink of Merger



Ouster and Velodyne have entered into a definitive agreement to merge in an all-stock transaction. The proposed merger is expected to drive significant value creation and result in a strong financial position through robust product offerings, increased operational efficiencies and a complementary customer base in fast-growing end-markets. Ouster is a leading provider of high-resolution

digital Lidar, while Velodyne is a leading global player in Lidar sensors and solutions.

According to the two companies, the key benefits of combining the strengths of [Ouster](#) and [Velodyne](#) include operational synergies across engineering, manufacturing and general administration support, an optimized cost structure and robust product offerings (including verticalized software) to serve a broad set of customers and a complementary base of customers, partners and distribution channels. These are coupled with reduced product costs and an innovative roadmap to accelerate Lidar adoption across fast-growing end markets.

## Driving Mass Adaptation of Lidar across a Wide Variety of Applications

“Ouster’s cutting-edge digital Lidar technology, evidenced by strong unit economics and the performance gains of our new products, complemented by Velodyne’s decades of innovation, high-performance hardware & software solutions and established global customer footprint, positions the combined company to accelerate the adoption of Lidar technology across fast-growing markets with a diverse set of customer needs,” said Ouster CEO Angus Pacala. “Together, we will aim to deliver the performance customers demand while achieving price points low enough to promote mass adoption.”

“Lidar is a valuable enabling technology for autonomy, with the ability to dramatically improve the efficiency, productivity, safety and sustainability of a world in motion. We aim to create a vibrant and healthy Lidar industry, both by offering affordable, high-performance sensors to drive mass adoption across a wide variety of customer applications and by creating scale to drive profitable and sustainable revenue growth,” said Velodyne CEO Ted Tewksbury. “The combination of Ouster and Velodyne is expected to unlock enormous synergies, creating a company with the scale and resources to deliver stronger solutions for customers and society, while accelerating time to profitability and enhancing value for shareholders.”

## Roadmap towards Affordable Sensors

The combined company will offer a robust suite of products to continue to serve a diverse set of end-markets and customers while executing on an innovative product roadmap to meet the future needs of the market. A unified engineering team, compelling product roadmap and focused customer success team will aim to provide best-in-class support to customers to deliver affordable and more performant sensors, according to a joint statement by both companies. Further, the management plans to streamline operational expenditures to build an overall cost structure that is in line with the projected revenue growth of the combined company. “Ouster and Velodyne had a combined cash balance of approximately US\$355 million as of 30 September 2022, and aim to realize annualized cost savings of at least US\$75 million within nine months after closing the proposed merger. With an expanded global commercial footprint and distribution network, the combined company expects to deliver increased volumes, reduce product costs and drive sustainable growth.

The combined company will be led by Angus Pacala, who will serve as CEO, and Dr Ted Tewksbury, who will serve as executive chairman of the board. The board will be comprised of eight members, with each company appointing an equal number of members. The full board and executive team will be announced at a later date.



San Francisco’s Lombard Street captured with Ouster OS1 Lidar sensors. (Courtesy: Ouster)